

2007

Montana Individual Income Tax Return

MONTANA

Calendar year income tax return for a Montana resident filing as single, jointly, or head of household.

Form 2M

Amended Return <input type="checkbox"/> Check the box above if this is an amended return.	Your first name and initial	Last name	Deceased <input type="checkbox"/>	Your social security number
	Spouse's first name and initial	Last name	Deceased <input type="checkbox"/>	Spouse's social security number
	Mailing address		City	State Zip+4

Filing Status (check only one box)

1. ☐ Single2. ☐ Married filing jointly3. ☐ Head of Household4. ☒ Resident full year (Only to be used by full year Montana residents. Nonresidents and Part-Year residents must use Form 2.)

5a. ☒ Yourself ☐ 65 or older ☐ Blind Enter number checked 5a.

5b. ☐ Spouse ☐ 65 or older ☐ Blind Enter number checked 5b.

Dependent's first name	Last name	SSN	Relationship	Disabled

5c. Total Dependents. If additional dependents, see instructions. 5c.

5d. Add lines 5a thru 5c and enter total exemptions here 5d.

Enter amounts corresponding to your federal return. Round to nearest dollar. If no entry, leave blank.

6. Wages, salaries, tips, etc. Attach federal Form(s) W-2. 6.

7a. Taxable interest. Attach federal Schedule B or federal Schedule 1 if required. 7a.

b. Tax-exempt interest. Do not include on line 7a. 7b.

8a. Ordinary dividends. Attach federal Schedule B or federal Schedule 1 if required. 8a.

b. Qualified dividends. 8b.

9. Capital gain or (loss). Attach federal Schedule D if required. 9.

10a. IRA distributions 10a. Taxable amount. 10b.

11a. Pensions and annuities 11a. Taxable amount. 11b.

12. Unemployment compensation. 12.

13a. Social security benefits. 13a. Taxable amount. 13b.

14. Taxable refunds, credits or offsets of state and local income and property taxes. 14.

15. Add lines 6 thru 14 (far right column.) **This is your total income.** 15.

16. Educator expenses. 16.

17. IRA deduction. 17.

18. Student loan interest deduction. 18.

19. Tuition and fees deduction. 19.

20. Add lines 16 through 19 and enter the result here. **This is your total adjustments to income.** 20.21. Subtract line 20 from line 15 and enter the result here. **This is your federal adjusted gross income.** ... 21.

22. Interest and municipal fund dividends state, county, or municipal bonds from other states. 22.

23. Taxable federal refund. 23.

24. Taxable Montana homeowner property tax refund. 24.

25. Addition to federal taxable social security/railroad retirement. 25.

26. Medical care savings account nonqualified withdrawal. 26.

27. Add lines 22 through 26 and enter the result here. **This is your Montana additions to federal adjusted gross income.** 27.

28. Exempt interest and dividends from federal bonds, notes, and obligations. 28.

29. Exempt unemployment compensation. 29.

30. Partial pension and annuity income exemption. 30.

31. Partial interest exemption for taxpayers 65 and older. 31.

32. Exemption for certain taxed tips and gratuities. 32.

33. Exempt medical care savings account deposits and earnings. 33.

34. Subtraction to federal taxable social security/Tier I Railroad Retirement. 34.

35. Subtraction for federal taxable Tier II Railroad Retirement. 35.

36. Federally taxable refunds, credits or offsets of state and local income taxes. 36.

37. Add lines 28 through 36 and enter the result here. **This is your Montana subtractions from federal adjusted gross income.** 37.38. Add lines 21 and 27, then subtract line 37. **This is your Montana adjusted gross income.** 38.

39. Montana adjusted gross income from line 38.....39. **Deductions** (Check only one box)40. (A) Standard Deduction (see Worksheet on page 4 of this form): (A) ☐(B) Itemized Deductions (from Form 2M, Schedule I, line 30): (B) ☐.....40. 41. Subtract line 40 from line 39 and enter amount here41. **Exemptions** (All individuals are entitled to at least one exemption.)42. Multiply \$2,040 by the number of exemptions on line 5d and enter result here42. 43. Subtract line 42 from line 41 and enter the result here. If zero or less, enter zero. **This is your taxable income.**.....43. 44. Tax from the tax table on page 4 of this form. If line 43 is zero, enter zero.....44. 45. 2% capital gains tax credit.....45. 46. Subtract line 45 from line 44 and enter the result here. If zero or less, enter zero. **This is your resident tax after capital gains tax credit.**.....46. 47. Nonrefundable single-year credits from Form 2M, Schedule II, line 5.....47. 48. Nonrefundable carryover credits from Form 2M, Schedule II line 848. 49. Add lines 47 and 48 and enter the result here. **This is your total nonrefundable credits.**.....49. 50. Subtract line 49 from line 46 and enter the result here. If zero or less, enter zero. **This is your total tax after nonrefundable credits.**.....50. 51. Montana income tax withheld. Attach federal Form(s) W-2 and 1099.....51. 52. 2007 estimated tax payments and amounts applied from your 2006 return52. 53. 2007 extension payment from Form EXT-0753. 54. Refundable credits from Form 2M, Schedule II, line 11.....54. 55. Add lines 51 through 54 and enter the result here. **This is your total payments/offsets.**.....55. 56. Subtract line 55 from line 50. **This is your net tax due/(overpaid or overpayment).**.....56. 57. Interest on underpayment of estimated taxes. (See instructions on page 12.)57. 58. Late file, late pay penalties and interest. (See instructions on page 12.)58. 59. Medical Care Savings Account 10% penalty59.

60. Enter in boxes 60a through 60d your voluntary check-off contributions.

Nongame wildlife program	Child abuse prevention	Agriculture in schools	End-stage renal disease program	Sum of 60a through 60d.....
60a.	60b.	60c.	60d.	60d.....

61. Add lines 57 through 60 and enter the result here. **This is your total penalties, interest and contributions.**.....61. 62. If the amount on line 56 is a net tax due, add lines 56 and 61 and enter the result here. **This is the amount you owe.**.....62. Visit our website at mt.gov/revenue to pay by credit card or E-check or make a check payable to MONTANA DEPARTMENT OF REVENUE.63. If the amount on line 56 is an overpayment of tax, reduce the overpayment by the amount (if any) reported on line 61 and enter the result here as a positive number.....63. 64. Enter the amount of line 63 you want applied to your 2008 estimated taxes64. 65. Subtract line 64 from line 63 and enter the result here. **This is your refund.**.....65.

If you wish to use direct deposit, enter your RTN# and ACCT# below. See instructions.

RTN# ACCT#

- ☐
- Checking
-
- ☐
- Savings

If applicable, check appropriate box.

- ☐
- Annualized estimated payments.
-
- ☐
- Do not mail 2007 forms and instructions.

Name, address and telephone number of paid preparer.

SSN, FEIN or PTIN:

- ☐
- Check this box and attach a copy of your federal Form 4868 to receive your Montana extension.

May the DOR discuss this return with your tax preparer? ☐ Yes ☐ No Questions? Call (406) 444-6900 or TDD (406) 444-2830 for hearing impaired.**X****X**

Your signature is required

Date

Daytime telephone number

Spouse's signature

Date

I declare under penalty of false swearing that the information in this return and attachments is true, correct and complete.

Schedule I: Montana Form 2M Itemized Deductions

Enter your itemized deductions on the corresponding line.

This schedule should be filed with your Montana Form 2M.

1. Medical and dental expenses	1.	
2. Enter amount from Form 2M, line 39	2.	
3. Multiply line 2 by .075 (7.5%)	3.	
4. Subtract line 3 from line 1 and enter result here but not less than zero. This is your deductible medical and dental expense subject to 7.5% of Montana AGI.	4.	
5. Medical insurance premiums not deducted elsewhere on your return	5.	
6. Long term care insurance premiums not deducted elsewhere on your return	6.	
Complete lines 7a through 7d reporting your total federal income tax paid in 2007 before completing line 7e.		
7a. Federal income tax withheld in 2007	7a.	
7b. Federal estimated tax payments paid in 2007	7b.	
7c. 2006 federal income taxes paid in 2007	7c.	
7d. Other back year federal income taxes paid in 2007	7d.	
7e. Add lines 7a through 7d and enter result here, but not more than \$5,000 if you are filing single, or head of household, or \$10,000 if filing a joint return with your spouse. This is your federal income tax deduction. 7e.		
8. Real estate taxes paid in 2007.	8.	
9. Personal property taxes paid in 2007.	9.	
10. Other deductible taxes. List type and amount:	10.	
11. Home mortgage interest and points reported to you on federal Form 1098	11.	
12. Home mortgage interest not reported to you on federal Form 1098. If paid to the person from whom you bought the house, provide name, SSN, and address:	12.	
13. Points not reported to you on federal Form 1098	13.	
14. Investment interest. Attach federal Form 4952	14.	
15. Contributions made by cash or check during 2007	15.	
16. Contributions made other than by cash or check	16.	
17. Contribution carryover from the prior year	17.	
18. Child and dependent care expenses. Attach Montana Form 2441M	18.	
19. Casualty and theft loss(es). Attach federal Form 4684	19.	
20. Unreimbursed employee business expenses. Attach federal Form 2106 or 2106EZ .20.	20.	
21. Other expenses. List type and amount:	21.	
22. Add lines 20 and 21 and enter the result here	22.	
23. Enter the amount on Form 2M, line 39 here	23.	
24. Multiply line 23 by .02 (2%) and enter the result here	24.	
25. Subtract line 24 from line 22 and enter the result here, but not less than zero	25.	
26. Political contributions (limited to \$100 per taxpayer)	26.	
27. Other miscellaneous deductions not subject to 2% of Montana AGI. List type and amount:	27.	
28. Add lines 4 through 6; 7e through 19; and 25 through 27 and enter the result here	28.	
If the amount on Form 2M, line 39 is more than \$156,400 your deductions may be limited. Complete the itemized deduction Worksheet VI, found on page 51 of the Form 2M instruction booklet and then continue to line 29; otherwise, go to line 30 below.		
29. Enter the amount from the itemized deduction Worksheet VI, line 9. This is the amount of your non-allowed itemized deductions.	29.	
30. Subtract line 29 from line 28 and enter the result here and on Form 2M, line 37. These are your allowable itemized deductions.	30.	

Schedule II: Montana Form 2M Tax Credits

Enter your Montana tax credits on the corresponding line.

File Schedule II with your Montana Form 2M.

Nonrefundable credits are single-year credits and HAVE NO carryover provision.

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|--|----|--|
| 1. College contribution credit. Attach Form CC. | 1. | |
| 2. Energy conservation installation credit. Attach Form ENRG-C. | 2. | |
| 3. Elderly care credit. Attach Form ECC. | 3. | |
| 4. Developmental disability account contribution credit. | 4. | |
| 5. Add lines 1 through 4 and enter the result here and on Form 2M, line 47. These are your total nonrefundable single-year credits. | 5. | |

Nonrefundable credits HAVE a carryover provision that allows you to carry forward the unused portion of your credit to future tax years.

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|--|----|--|
| 6. Alternative energy systems credit. Attach Form ENRG-B. | 6. | |
| 7. Adoption credit. Attach federal Form 8839 | 7. | |
| 8. Add lines 6 and 7 and enter the result here and on Form 2M, line 48. These are your total nonrefundable carryover credits. | 8. | |

Refundable credits are applied against your income tax liability with any remaining balance refunded to you.

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|---|-----|--|
| 9. Elderly homeowner/renter credit. Attach Form 2EC. | 9. | |
| 10. Property tax credit | 10. | |
| 11. Add lines 9 and 10 and enter the result here and on Form 2M, line 54. These are your total refundable credits. | 11. | |

Montana Tax Credits

We have listed eight credits that can be used when filing Montana Form 2M. However, the Montana legislature has authorized 30 different income tax credits. See Montana Form 2, Schedule V for a list and description of these 30 tax credits that are available. If you are eligible for any of the other credits not listed above, you will have to file Montana Form 2 instead of Form 2M.

There are three categories of credits available to you on your Montana individual income tax return. With the exception of the capital gains tax credit, which is required to be applied before any other credit, (refer to the instructions for Form 2M, line 45) you are not required to apply any of these 8 tax credits against your income tax liability in any particular order.

- **Nonrefundable single-year credits.** Your nonrefundable single-year credits can only be used to offset your 2007

resident tax after capital gains credit and cannot reduce your tax liability below zero. The unused portion of your nonrefundable single-year credits that exceeded your 2007 income tax liability are lost and are unable to be used in future years.

- **Nonrefundable carryover credits.** Your nonrefundable carryover credit can be used to offset your 2007 resident tax after capital gains credit and cannot reduce your tax liability below zero. Your excess nonrefundable credit that is not applied against your 2007 income tax liability can be carried over and used to offset future year tax liabilities.
- **Refundable credits.** Your refundable credits are applied against your income tax liability with any unused credit refunded to you.

2007 Montana Individual Income Tax Table

If your Taxable Income is Over	but not Over	Multiply your Taxable Income by	and Subtract	equals your Tax
\$0	\$2,500	0.010	\$0	
\$2,500	\$4,400	0.020	\$25	
\$4,400	\$6,600	0.030	\$69	
\$6,600	\$9,000	0.040	\$135	

If your Taxable Income is Over	but not Over	Multiply your Taxable Income by	and Subtract	equals your Tax
\$9,000	\$11,600	0.050	\$225	
\$11,600	\$14,900	0.060	\$341	
\$14,900 or more		0.069	\$475	

For example: Taxable income \$4,500 X 0.030 (3%) = \$135.

\$135 minus \$69 = \$66 tax